GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1979
ANSWERED ON:09.03.2001
PURCHASE OF SUGAR FROM SUGAR MILLS
NAWAL KISHORE RAI;RAMJI LAL SUMAN

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government procures a certain percentage of sugar at fixed price from the sugar mills in the form of levy;

(b) if so, the amount of sugar procured as levy sugar during 1997-98, 1998-99 and 1999-2000;

(c) the total production of sugar in each of the above mentioned years; and

(d) the rate at which the Government procured the levy sugar in the above years and how far it was less as compared to the production cost of sugar?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a) Yes, Sir.

(b) & (c) : The sugar season is reckoned from October - September. Accordingly, the sugar production as also the accrual of levy sugar during the sugar seasons 1997-98, 1998-99 and 1999-2000 is given below :

(in lakh tonnes)

S.No.	Season	Total Production	Accrual of levy sugar
1.	1997-98	128.44	45.22
2.	1998-99	155.20 (P)	45.30
3.	1999-2000	181.41 (P)	50.16

(P) - Provisioal

(d) The ex-factory levy sugar price/procurement price are fixed by the Central Government on the zonal basis taking into account all relevant factors. Accordingly, the average levy sugar price/procurement price for the sugar season 1997-98, 1998-99 and 1999-2000 was Rs.1022.46 per qtl., Rs. 1050.99 per qt. and Rs.1110.71 per qtl. respectively. The zone-wise cost of production of levy sugar is determined after taking into account the Statutory Minimum Price (SMP) notified for sugarcane, the manufacturingcost of sugar i.e. conversion cost, the duty or tax, if any, paid or payable thereon and a reasonable return on the capital employed. However, the mills are paying cane price (s) more than the SMP and therefore the actual cost of production may be higher than the ex-factory levy sugar prices.